

REGIONAL BANKS:

Powering the Main Street Economy

Deep Economic Footprint – Focus on Consumer and Business Lending – No Individual Systemic Risk

Regional banks focus on traditional banking services: taking insured deposits and making loans to small and medium-sized businesses and consumers. Regional Banks are trusted Main Street institutions integral to the local communities they serve by providing capital to individuals, families and businesses and supporting billions of dollars of economic activity.

Regional Banks are not complex nor globally interconnected like the big Money Center banks, so individually they pose no systemic financial risk. Yet, recent and pending changes to federal law now treat Regional Banks as if they hold the same risk profile as the Money Centers, imposing costly new regulatory restrictions that will limit their ability to support the economy and job creation.



Regional Banks have a deep economic footprint benefiting local communities and the U.S. economy

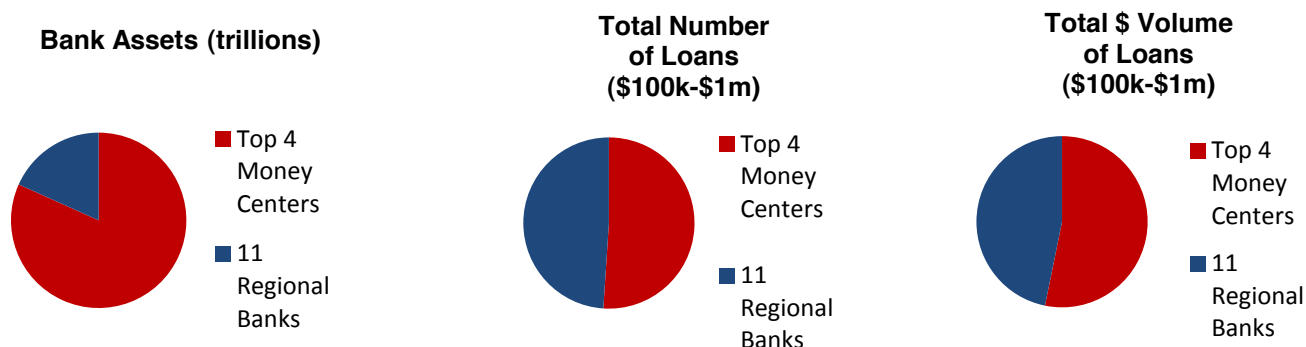
- Regional Banks employ 364,000 Americans in more than 19,500 branches and offices in all 50 states.
- More than half the country—*60 million American households*—receive financial services from a Regional Bank. They hold 15% of insured deposits.
- Regional Banks support jobs in other local companies by spending more than \$12 billion on 170,000 vendors in 2011.
- Regional Banks invest heavily in the communities they serve, contributing \$270 million to the 17,500 non-profit and charitable organizations and providing 815,000 hours of volunteer service in 2011 alone.

Regional Banks provide capital to job-creating small and mid-sized businesses

Regional Banks focus on traditional lending. Loans represent two-thirds of Regional Bank assets compared to only one-third of assets at a typical Money Center. Regional Bank lending includes:

- Small business loans(<\$1m): \$74.2 billion in 1.9 million loans
 - Small Business Administration (SBA) loans: \$2.1 billion
 - Community reinvestment and redevelopment: \$13.8 billion
- Commercial real estate loans: \$536 billion
- Commercial and industrial loans: \$254 billion
- Total consumer loans: \$220 billion
- Total mortgage loans: \$148 billion
 - Affordable housing: \$13.5 billion

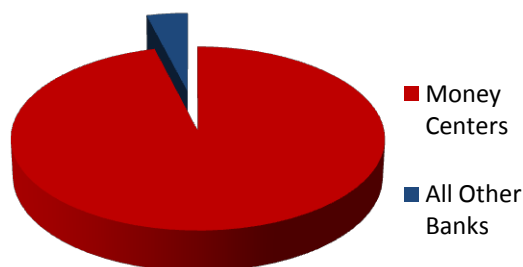
The eleven Regional Banks represented here collectively hold less than a quarter of the assets held by the four largest Money Centers, yet they provide approximately the same amount in loans between \$100,000 and \$1 million—loans used primarily by small businesses.



Regional Banks also provide loans of \$10 million to \$50 million to medium-sized businesses that generate \$6 trillion in revenue annually and employ 32 million Americans.

Regional Banks individually pose no systemic risk.

Derivatives Contracts



- Regional Banks hold less than 1% of derivatives contracts among U.S. banks. In contrast, the five largest Money Centers hold 96% of all derivatives contracts, which represents a value almost 50 times their total assets.
- Regional Banks have a negligible degree of global interconnectivity, with 99% of their loans being domestic. Most Regional Banks do not hold sovereign debt, and U.S. bank exposure to European government, corporate and bank debt is concentrated in the Money Centers.

- Regional Banks hold only a tiny fraction of trading assets and liabilities (1%), compared to the 90% held by Money Centers. Trading revenues account for less than 3% of Regional Bank non-interest revenue, compared to nearly 25% of Money Center revenue.